

Testimony

Balancing Prosperity and Security: Challenges for U.S. Air Travel in a 21st Century Global Economy

Testimony Of
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Subcommittee On Homeland Security

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Chairman Landrieu, Ranking Member Coats and Members of the Subcommittee, thank you for inviting us to appear at this timely and important hearing.

The members of Airlines for America ("A4A") and their affiliates transport more than 90 percent of all U.S. airline passenger and cargo traffic. That traffic is carried on both domestic and international networks. Speaking on behalf of America's airlines, the subject of today's hearing is both timely and critical and we commend the subcommittee for allowing us to provide our views.

OVERVIEW

Whether we are focusing on promoting travel within our country or to our country, one factor predominates: the ease of the traveler's experience. Hassles are the enemies of expanding travel. We must also keep in mind that the perception of a hassling experience can drive travel decisions.

Domestic and international travel is immensely important to our overall economy. It contributed \$1.1 trillion to our economy in 2010 and was directly responsible for nearly 7.5 million American jobs. Sixty million international travelers visited our country that year. They spent an estimated \$134 billion while they were here and helped generate significant levels of economic activity for those surrounding destination areas.

And while the economic benefits of foreign visitors to the United States are impressive, they are not as great as they could be. The U.S. market share of international travelers' spending worldwide fell from 17 percent in 2000 to a little more than 11 percent in 2010. This is a worrisome decline. President Obama's recent travel-and-tourism executive order attributed this decline to three factors:

- Increased international competition;
- Changing patterns in global development; and
- To some degree, more stringent security requirements imposed after 2001.

Having identified the issues hindering our competitive position, we need to act promptly and decisively to make travel and tourism promotion a national priority without compromising on security and safety. This should be a centerpiece of a national airline policy. A strong national



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airline policy would restore and enhance U.S. airline industry viability and enable it to increase air service across the nation, boost economic growth, expand exports and create more high-paying U.S. jobs.

NEEDED ACTIONS

Several basic considerations should guide a new national travel-and-tourism strategy:

- First, security and safety cannot be compromised in any effort. U.S. government
 agencies with border control responsibilities, however, have demonstrated that they have
 the experience and ability to balance the need to maintain security and simultaneously
 reduce barriers to travel.
- Second, while impressions may not always be accurate, they count mightily in the travel
 and tourism business. Frustration about obtaining a visa or the length of the line at an
 airport of entry or security checkpoint can easily dissuade foreign travelers from visiting
 the United States or Americans from taking domestic trips.
- Third and related to the point above, many countries have entry procedures that travelers regard as more predictable and less burdensome than ours. These impressions affect travel decisions.
- Fourth, other countries are competing hard for tourists. They have made the national
 commitment to attract foreign visitors. In some instances, these destinations have only
 emerged on a significant scale in the last five or ten years. They thus have the cachet of
 newness, a potent competitive advantage.
- Fifth, globalization is generating greater disposable incomes—and, therefore, the means
 to travel—in areas of the world that historically have not been the sources of significant
 numbers of visitors to the United States. To be realistic, travel to the United States may
 be viewed in those areas as something less than a priority.

This is a demanding environment. America must sharpen its competitive edge if we are to expand the employment and economic benefits that communities throughout the United States realize from travel and tourism.

To broaden these opportunities, the U.S. government needs to:

- Speed the issuance of visas, particularly for high-growth countries such as Brazil, China and India
- Expand the Visa Waiver Program to additional countries where security assessments support such expansions.
- Expand TSA's Pre√ program at domestic passenger screening checkpoints.
- Recognize, on a reciprocal basis, other countries' trusted-traveler entry programs that
 mirror CBP's very well-received Global Entry Program. Consideration should also be
 given to expanding trusted-traveler programs to specific categories of foreign
 passengers, such as business travelers, who frequently travel to the United States.
- Speed the processing of passengers entering the United States. This will require more CBP staffing to accommodate greater numbers of international travelers.
- Modernize CBP's information technology systems to better support its passenger processing responsibilities.



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Avoid diverting CBP staff from existing airports of entry and overseas preclearance
locations to provide additional personnel for land-border crossings or to open new
preclearance locations. Diversion of these limited resources would delay the processing
of air travelers arriving at our busiest airports of entry, a result that would tarnish our
reputation as a desirable travel destination.

CONCLUSION

There is a common recognition of the need and the benefits of promoting travel and tourism. We look forward to working with the Subcommittee to achieve those benefits.